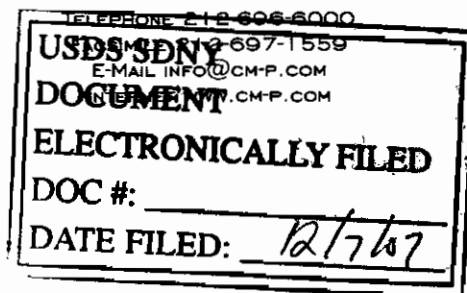


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MEMO ENDORSED

BY HAND

Hon. P. Kevin Castel, U.S.D.J.
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St., Room 2260
New York, NY 10007

Re: Gottdiener v. Friedman et al.
Case No. 07 Civ 79436 (PKC)

Dear Judge Castel:

The undersigned are counsel to the parties in the above-referenced action. We submit this joint letter in response to the Order Scheduling Initial Pretrial Conference issued by your Honor. That order calls for an initial conferences to be held on Friday, December 14, 2007, at 9:30 a.m. By this letter, we respectfully request that the initial conference be adjourned until at least February 8, 2008. The reasons for this request are as follows:

This case is a derivative action against officers and directors of Tarragon Corporation ("Tarragon"). The plaintiff is a Tarragon shareholder and Tarragon itself is a nominal defendant. The Complaint alleges that defendants breached their fiduciary duties to Tarragon by failing to implement or ensure compliance with adequate administrative and financial controls which, *inter alia*, resulted in the Company issuing material misstatements in its public filings. The underlying factual allegations contained in the Complaint involve allegations made in the securities class actions involving Tarragon that are pending before your Honor, *i.e.*, Judelson v. Tarragon Corporation et al., Case No. 07 Civ 7972 (PKC), Berger v. Tarragon Corporation et al., Case No. 07 Civ 8689 (PKC), and Nelson v. Tarragon Corporation et al., Case No. 07 Civ 8438 (PKC) (collectively, the "Tarragon securities class actions").

The parties have entered into a stipulation extending defendants' time to answer the Complaint. (That stipulation was so ordered by your Honor yesterday.) The dates contained in the Stipulation and Order correspond to the dates provided for in the Stipulations and Orders regarding defendants' time to respond that were signed by your Honor in the Tarragon securities class actions. The Stipulation and Order in this action provides that defendants are not required to

*Initial Conference
adjourned
from December 14 to
February 15, 2008
at 9:30 a.m.*

December 6, 2007

*SO ORDERED
JSD
12-7-07*

respond to the Complaint in this action until 45 days after the later of (i) a consolidated class action complaint filed in the securities class action, (ii) the filing and service of an amended complaint in this action, or (iii) May 15, 2008. In addition, the Stipulation and Order provides for discovery in this action to be coordinated with discovery in the Tarragon securities class actions.

Given the current procedural posture of this action, the parties respectfully request that the initial case management conferences be adjourned until at least February 8, 2008, the date on which you Honor has scheduled the initial conference in the Tarragon securities class actions. Because the parties have agreed to coordinate discovery in this action with discovery in the Tarragon securities class actions, and because discovery in the Tarragon securities class actions will likely be stayed during the pendency of motions to dismiss (pursuant to 15 U.S.C. §78u-4(b)(3)), the parties agree that drafting a Case Management Plan would be premature at this point.

Respectfully,



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Page 2

Hon. P. Kevin Castel, U.S.D.J.
December 6, 2007

class actions. The Stipulation and Order in this action provides that defendants are not required to respond to the Complaint in this action until 45 days after the later of (i) a consolidated class action complaint filed in the securities class action, (ii) the filing and service of an amended complaint in this action, or (iii) May 15, 2008. In addition, the Stipulation and Order provides for discovery in this action to be coordinated with discovery in the Tarragon securities class actions.

Given the current procedural posture of this action, the parties respectfully request that the initial case management conferences be adjourned until at least February 8, 2008, the date on which you Honor has scheduled the initial conference in the Tarragon securities class actions. Because the parties have agreed to coordinate discovery in this action with discovery in the Tarragon securities class actions, and because discovery in the Tarragon securities class actions will likely be stayed during the pendency of motions to dismiss (pursuant to 15 U.S.C. §78u-4(b)(3)), the parties agree that drafting a Case Management Plan would be premature at this point.

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